

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 219 – SB 370

March 10, 2011

SUMMARY OF AMENDMENT (004574): Postpones the effective date of the bill to July 1, 2012.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – \$44,100
Increase State Expenditures – Not Significant

Increase Local Revenue – Exceeds \$14,200

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – \$44,100/FY12-13 and Subsequent Years
Increase State Expenditures – Not Significant/FY12-13 and Subsequent Years

Increase Local Revenue – Exceeds \$14,200/FY12-13 and Subsequent Years

Assumption applied to amendment:

- An effective date as July 1, 2012 will postpone state revenue, state expenditures and local revenue until FY12-13.
- According to the Department of Revenue, the average fireworks sales tax account posts annual sales of \$63,000, resulting in approximately \$4,410 state sales tax revenue, and \$1,418 local sales tax revenue per stand.
- According to the Tennessee Department of Commerce Fire Prevention Division, 10 fireworks permits were issued for the similarly sized and situated Springfield/Greenbrier area in 2010.
- There will be 10 permits issued by the Department of Commerce and Insurance within East Ridge city limits for the sale of Class C common fireworks resulting in an increase to state revenue of \$44,100 (\$4,410 x 10) and local government revenue of \$14,180 (\$1,418 x 10).

- Issuing additional fireworks permits and collecting sales tax revenue will result in a not significant increase to state expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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